

Town Of Fairmont, Oklahoma

Independent Accountant's Report on
Applying Agreed-Upon Procedures

Year Ended June 30, 2013

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Independent Accountant's Report

To the Specified Users of the Report:

Board of Trustees of the Town of Fairmont
Fairmont, Oklahoma

Board of Trustees of the Fairmont Public Works Authority
Fairmont, Oklahoma

We have compiled the accompanying Summary of Changes in Net Position – Cash Basis of the Town of Fairmont and Public Trust for the year ended June 30, 2013, the Budgetary Comparison Schedule – Cash Basis – General Fund, and the Statement of Revenues, Expenses and Changes in Net Position – Cash Basis – Fairmont Public Works Authority for the year ended June 30, 2013. The financial statements have been prepared in a format and basis of accounting, as prescribed by Oklahoma Statutes, that demonstrates compliance with the cash basis and budget laws of the State of Oklahoma applicable to municipalities and the presentation requirements prescribed in Oklahoma Statutes §11-17-105-.107 and §60-180-1-.3.

We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance about whether the financial statements are in accordance with the form prescribed by Oklahoma Statutes, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America in the United States.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the form prescribed by Oklahoma Statutes and for designing, implementing, and maintaining internal control relevant to the preparation and fair representation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared on the basis of accounting prescribed by Oklahoma Statutes. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Town's assets, liabilities, equity, revenues and expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Additionally, we have performed the procedures enumerated on the next page which were agreed to by the specified users of the report, as identified above, and as defined within the applicable state laws of the State of Oklahoma, solely to assist the Town and Public Works Authority in meeting its financial accountability requirements as prescribed by applicable Oklahoma law and evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2013. Management of the Town of Fairmont is responsible for the Town's financial accountability and its compliance with those legal and contractual requirements. This agreed-upon procedures engagement was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants and the additional requirements prescribed in Oklahoma Statutes §11-17-105-.107 and §60-180-1-.3. The sufficiency of the procedures is solely the responsibility of those parties specified in this report.

Procedures and Findings:

As to the Town of Fairmont as of and for the fiscal year ended June 30, 2013:

1. **Procedures Performed:** From the Town's trial balances, we compiled a cash basis schedule of changes in net position for each fund (see page 5) and compared the schedule results to the statutory prohibition of creating net position deficits to report any noted instances of noncompliance.

Findings: No instances of noncompliance were noted.

2. **Procedures Performed:** From the Town's trial balances, we compiled a cash basis budget and actual financial schedule for the General Fund (see page 6) and compared the actual expenditures reported to the authorized appropriations to report any noted instances of noncompliance with the appropriation limitations.

Findings: No instances of noncompliance were noted.

3. **Procedures Performed:** We agreed the Town's material bank account balances to bank statements, and traced the timely clearance of significant reconciling items to report any significant or unusual instances of reconciling items that have not cleared.

Findings: No unusual reconciling items were noted that did not clear on a timely basis.

4. **Procedures Performed:** We compared the Town's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

Findings: No instances of noncompliance were noted.

5. **Procedures Performed:** We compared the Town's use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

Findings: No instances of noncompliance were noted.

6. **Procedures Performed:** We compared the accounting for the Town's activities by fund to the legal and contractual requirements for separate funds to report any noted instances of noncompliance.

Findings: No instances of noncompliance were noted.

7. **Procedures Performed:** A search for Town debt agreements was performed to identify any contractually required reserve balances and debt service coverage requirements of bond indentures for the purpose of determining contract compliance.

Findings: The Town had no debt, therefore no debt service coverage requirements of bond indentures were evaluated for compliance.

As to the Fairmont Public Works Authority as of and for the fiscal year ended June 30, 2013:

1. **Procedures Performed:** From the Authority's trial balances, we compiled a schedule of revenues, expenses and changes in net position - cash basis for the Authority (see page 7) and compared the schedule results to the applicable trust prohibitions for creating net asset deficits to report any noted instance of noncompliance.

Findings: No instances of noncompliance were noted.

2. **Procedures Performed:** We agreed the Authority's material bank account balances to bank statements, and trace the timely clearance of significant reconciling items to report any significant or unusual instances of reconciling items that have not cleared.

Findings: No unusual reconciling items were noted that did not clear on a timely basis.

3. **Procedures Performed:** We compared the Authority's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

Findings: No instances of noncompliance were noted.

4. **Procedures Performed:** We compared the Authority's use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

Findings: No instances of noncompliance were noted.

5. **Procedures Performed:** We compared the accounting for the Authority's activities by fund to the legal and contractual requirements for separate funds to report any noted instances on noncompliance.

Findings: No instances of noncompliance were noted.

6. **Procedures Performed:** A search for the Authority's debt agreements was performed to identify any contractually required reserve balances and debt service coverage requirements of bond indentures for the purpose of determining contract compliance.

Findings: The Authority had no debt, therefore no debt service coverage requirements of bond indentures were evaluated for compliance.

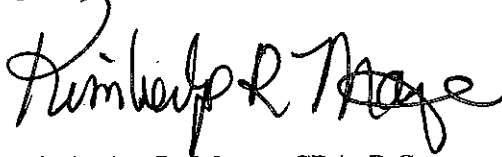
As to the Town of Fairmont and Fairmont Public Works Authority grant programs, as of and for the fiscal year ended June 30, 2013:

1. **Procedures Performed:** From the Town and Authority's trial balances, we compiled a schedule of grant activity for each grant/contract (see page 8) and compared the receipts and disbursements to grant agreements and supporting information to report any noted instances of noncompliance with the grant agreements.

Findings: No instances of noncompliance were noted.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified users, as identified above, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Kimberley R. Mayer". The signature is fluid and cursive, with the first name being the most prominent.

Kimberlye R. Mayer, CPA, P.C.
January 4, 2014

TOWN OF FAIRMONT, OKLAHOMA
STATEMENT OF CHANGES IN NET POSITION
CASH BASIS
YEAR ENDED JUNE 30, 2013

	Fund Balances <u>6/30/12</u>	<u>Change</u>	Fund Balances <u>6/30/13</u>
TOWN:			
General Fund	\$ 64,379	\$ (6,114)	\$ 58,265
Fire Department Fund	<u>15,322</u>	<u>57</u>	<u>15,379</u>
Total Town	<u>79,701</u>	<u>(6,057)</u>	<u>73,644</u>
 PUBLIC WORKS AUTHORITY:			
Fairmont Public Works Authority	<u>10,373</u>	<u>(4,151)</u>	<u>6,222</u>
			<u>0</u>
PWA Subtotal	<u>10,373</u>	<u>(4,151)</u>	<u>6,222</u>
 TOWN TOTALS	 <u><u>\$ 90,074</u></u>	 <u><u>\$ (10,208)</u></u>	 <u><u>\$ 79,866</u></u>

TOWN OF FAIRMONT, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
GENERAL FUND
YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive (Negative)
Beginning budgetary fund balance	\$ 79,701	\$ 79,701	\$ 79,701	\$
Resources (Inflows):				
Sales tax			13,924	
Cigarette tax			176	
Franchise taxes			3,845	
Gas excise tax			100	
Alcoholic beverage tax			457	
Motor vehicle tax			949	
Use tax			2,344	
Interest			68	
Fire memberships				
Other revenues			3,100	
Grant income			4,484	
Total Resources			29,447	
Charges (Outflows):				
General Government	9,000	6,000	5,972	28
Personnel services	6,850	17,751	16,406	1,345
Fire department	1,917	9,402	9,301	101
Ball park	4,780	4,835	742	4,093
Capital outlay	5,065			
Street and alley	3,500	3,500	3,083	417
Total Charges	31,112	41,488	35,504	5,984
Transfer in (out)				
Ending budgetary fund balance	\$	\$	\$ 73,644	\$

TOWN OF FAIRMONT , OKLAHOMA
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION - CASH BASIS
FAIRMONT PUBLIC WORKS AUTHORITY
YEAR ENDED JUNE 30, 2013

	Public Works Authority <u>Enterprise Fund</u>
Operating Revenues:	
Charges for services:	
Water	\$ 21,879
Sewer	10,881
Sanitation	12,993
Other income	<u>1,333</u>
Total Operating Revenues	47,086
Operating Expenses:	
Personnel costs	6,959
Administration	1,941
Trash services	10,732
Utilities	2,537
System repairs and maintenance	<u>29,068</u>
Total Operating Expenses	<u>51,237</u>
Operating income (loss) before transfers	(4,151)
Transfers in	<u> </u>
Change in Net Position	(4,151)
Net Position, beginning of year	<u>10,373</u>
Net Position, end of year	<u><u>\$ 6,222</u></u>

TOWN OF FAIRMONT, OKLAHOMA
SCHEDULE OF GRANT ACTIVITY
CASH BASIS
YEAR ENDED JUNE 30, 2013

<u>Grantor</u>	<u>Program or CFDA #</u>	<u>Award Amount</u>	<u>Amount Received</u>	<u>Amount Disbursed</u>	<u>Amount Unexpended</u>
State Dept. of Agriculture		\$ 4,484	\$ 4,484	\$ 4,484	\$